

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2019-363-E

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| IN RE: Inquiry Initiated by Commissioner Ervin to) Investigate the Reported Sale of Customers') Personal Information to Third-Parties by) Dominion Energy South Carolina,) Incorporated) <hr style="width: 50%; margin-left: 0;"/> | SOUTH CAROLINA OFFICE OF REGULATORY STAFF'S FIRST AND CONTINUING AUDIT REQUEST FOR RECORDS AND INFORMATION |
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**TO: K. CHAD BURGESS, ESQUIRE, DIRECTOR AND DEPUTY GENERAL
 COUNSEL AND MATTHEW W. GISSENDANNER, ESQUIRE, SENIOR
 COUNSEL FOR DOMINION ENERGY SOUTH CAROLINA, INC.:**

The South Carolina Office of Regulatory Staff ("ORS") hereby requests, pursuant to S.C. Code Ann. §§ 58-4-50(A)(2), 58-4-55(A), (Supp. 2018) and 58-27-160, 58-27-1570, and 58-27-1580 (2015) that Dominion Energy South Carolina, Inc. ("DESC" or the "Company") provide responses in writing and electronically where required and under oath and serve the undersigned by December 17, 2019, to ORS at 1401 Main Street, Suite 900, Columbia, South Carolina, 29201. If you are unable to respond to any of the audit requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these audit requests, "identify" means, when asked to identify a person, to provide the full name, business title, address and telephone number. As used in these audit requests, "address" means mailing address and business address. When asked to identify or provide a document, "identify" and "provide" mean to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of

providing a full and detailed description of a document, a copy of the document may be attached with the identity of the person who has custody of it. When the word “document” is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

Wherever in this audit request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

IT IS THEREFORE REQUESTED:

- I. All information shall be provided to ORS in the format requested.
- II. All responses to the requests below must be labeled using the same numbers as the requests.
- III. The requested information shall be bound in 3-ring binders with numbered tabs between each question. All exhibits shall be reduced or expanded to 8 ½" x 11" format, where practical.
- IV. If information requested is found in other places or other exhibits, reference shall not be made to those; instead, reproduce and place a copy of the requested information in the appropriate numerical sequence.
- V. That any inquiries or communications relating to questions concerning clarification of the information requested below should be directed to Ryder C. Thompson [803.737.0664], Sarah Wilhite [803.737.0886], Christopher M. Huber, Esquire [803.737.5252], and Alexander W. Knowles, Esquire [803.737.0889] of ORS.
- VI. This entire list of questions shall be reproduced and included in front of each set of responses.
- VII. Unless otherwise set forth below, DESC shall provide one (1) paper copy/binder of responses to ORS. In addition, and if technically feasible, it is requested that DESC provide one (1) electronic version of the responses with live formulas in spreadsheets used to produce responses, whether or not the responses themselves

are in spreadsheet format. Unless otherwise set forth below, DESC shall provide all documents in a searchable format.

- VIII. If the response to any request is that the information requested is not currently available, please state when the information requested will be provided to ORS.
- IX. In addition to the signature and verification at the close of DESC's responses, the DESC witness(es) or employee(s) or agent(s) responsible for the information contained in each response shall be indicated at the bottom of each response.
- X. This request shall be deemed to be continuing so as to require DESC to supplement or amend its responses as any additional information becomes available, until such time as the ORS report is filed.
- XI. If the information requested is kept, maintained, or stored using spreadsheets, please provide electronic versions of the spreadsheets, including the formulas used and embedded in the spreadsheet.

DEFINITIONS:

- 1) "Commission" means the Public Service Commission of South Carolina.
- 2) "Customer information" means non-public information or data specific to a DESC retail electric or gas customer or group of customers, including, but not limited to, electricity consumption, natural gas consumption, load profile, billing history, personal identifying information (name, address, census block), dates of service, telephone/e-mail address, account numbers (financial and utility), meter number or credit history, that is or has been obtained or compiled by DESC in connection with the supplying of electric or natural gas services to that customer or group of customers.
- 3) "DESC" means Dominion Energy South Carolina, Inc. and its predecessors, including South Carolina Electric & Gas, Incorporated ("SCE&G").
- 4) "Dominion" means Dominion Energy, Inc. and any Subsidiary or Affiliate of Dominion Energy, Inc., including DESC.
- 5) "HomeServe" means HomeServe USA Repair Management Corporation and/or North American Warranty, Incorporated.
- 6) "Subsidiary" and "Affiliate" shall have the definitions respectively assigned to them in DESC's July 1, 2019 proposed Code of Conduct filed with the South Carolina Public Service Commission in Docket No. 2017-305-E.¹

¹ DESC's proposed Code of Conduct is available here: <https://dms.psc.sc.gov/Attachments/Matter/91420b47-ec04-4409-8b34-1c9fdf49dc2f>

REQUESTS:**Arrangement with HomeServe**

- 1-1 Identify and provide a list of any and all documents, including but not limited to contracts, service, usage and/or data-sharing agreements, and partnership agreements, that explain the business arrangement between Dominion and HomeServe. Provide the following detailed information in the listing for each contract or agreement:
 - (a) The jurisdiction in which the contract or agreement is effective.
 - (b) The legal names of the entities party to the contract or agreement.
 - (c) The purpose of the relationship between Dominion and HomeServe.
 - (d) The type of customer information data-sharing including, but not limited to, zip code, customer-tailored information, usage, account information, and/or anonymized data.
 - (e) The compensation structure between Dominion and HomeServe.
 - (f) Whether the agreement is subject to state regulatory approval.
 - (g) Date and order number for state regulatory approval.
 - (h) Copy of the document.
- 1-2 Identify and provide a detailed explanation for how Dominion has entered any arrangements or agreements with HomeServe. Provide any and all procurement documents to support the arrangements between HomeServe and Dominion that resulted in the marketing of HomeServe services to DESC customers in the calendar year ending December 31, 2019.
- 1-3 Identify and provide any and all documents that detail the compensation structure between Dominion and HomeServe, including, but not limited to, compensation for customer information, the opportunity to directly market non-regulated services to DESC customers, and billing and payment processing of HomeServe services on DESC bills.
- 1-4 Describe the third-party billing and payment agreement(s) between Dominion and HomeServe.
- 1-5 Is HomeServe an affiliate of Dominion? If yes, please specify all relationships.
- 1-6 Identify any financial interests held by Dominion or any of its officers, directors, or managers in HomeServe.
- 1-7 Please provide all insurance company ratings for HomeServe provided by SC Department of Insurance, A.M. Best, Fitch, Moody's, Standard and Poor's, or any other rating agency.
- 1-8 Identify and provide a detailed explanation of the business purpose for which Dominion shares customer information with HomeServe.

- 1-9 Identify and provide a detailed listing of all costs incurred by Dominion related to the business arrangement between DESC and HomeServe. Group costs by type such as: billing services, remittance processing of HomeServe payments, generating customer lists, printing, mailing, or any other grouping to easily identify the costs. Provide this information, separated for electric and gas operations, for the time period of January 1, 2013 through November 30, 2019.
- 1-10 Identify and provide a detailed explanation of any benefits including, but not limited to, financial and intangible benefits passed on to gas and electric customers resulting from the arrangements with HomeServe.
- 1-11 Provide a list of monetary amounts and date(s) of disbursement from HomeServe to Dominion for any compensation relating to DESC customers from January 1, 2013 through November 30, 2019.
- 1-12 Explain the regulatory accounting treatment Dominion is according any and all monies identified in response to Audit Information Requests 1-9 and 1-11 above.
- 1-13 Provide a list of monetary amounts and date(s) of disbursement from Dominion to HomeServe for any compensation or remittance of payments for services relating to DESC customers from January 1, 2013 through November 30, 2019.

Customer Information and Customer Service

- 1-14 Identify when and if Dominion has adopted the Department of Energy's Voluntary Code of Conduct related to Data Privacy.
- 1-15 Provide the following information for each state jurisdiction in which Dominion operates:
 - (a) A brief overview and a web link to the applicable laws, regulations, rules, orders, or other legal requirements related to protection of customer information.
 - (b) Identify any state jurisdictions that prohibits the sale of customer information to a third party.
 - (c) Identify if customer consent is required to allow the sharing of customer information and how it is obtained from the customer (opt-out or opt-in, in writing, etc.). Explain any exceptions.
 - (d) Identify the state jurisdictions in which there is an arrangement with HomeServe. Describe the purpose of the arrangement and the services provided.
- 1-16 Identify and provide any and all federal, state or local court or administrative agency dockets related to Dominion's management, sale or sharing of customer data. Provide a web link to each docket and describe the current status.

- 1-17 Identify and provide any federal, state or local court or administrative agency violations, fines, penalties or settlements that involve Dominion and customer information management.
- 1-18 Identify and provide a copy of the applicable rules, regulations, and court or Commission orders and requirements that allow Dominion to share customer information with HomeServe.
- 1-19 Identify and provide the process by which Dominion informs gas and electric customers that customer information has been shared either inadvertently or by agreement, with third-parties.
- 1-20 Provide a copy of all Dominion Privacy Policies that apply to DESC customers. Identify the Commission order approving each Privacy Policy.
- 1-21 Identify and provide any and all documents, policies, and/or procedures that detail how Dominion and/or HomeServe will protect customer information and any personally identifiable information.
- 1-22 Describe all internal policies and processes relating to the sale or sharing of customer information to third parties.
 - (a) Include the type of customer information provided and the purposes for which the customer information being provided may be used by the third party.
 - (b) Provide a copy of the internal policy or process.
- 1-23 Identify and provide a copy of the General Terms and Conditions for DESC gas and electric service.
 - (a) Identify all provisions in the General Terms and Conditions related to customer information privacy.
 - (b) Provide the Commission order approving the General Terms and Conditions.
- 1-24 Identify and provide all procedures by which a DESC customer may permit Dominion to sell or share customer information with a third-party.
- 1-25 Identify and provide all procedures by which a DESC customer may prohibit Dominion from selling or sharing customer information.
- 1-26 Identify and provide a copy of the notification that Dominion provides to gas and electric customers when Dominion's privacy policy for South Carolina is revised.
- 1-27 Explain how, and in what format, HomeServe was provided access to customer information.

- 1-28 Identify all employees (names and titles) at Dominion who authorized the sale or sharing of customer information to HomeServe.
- 1-29 Provide a copy of the procedures filed by SCE&G with the Commission in compliance with Order No. 92-931.
- 1-30 Explain how partnering with HomeServe to sell or share customer information complies with the following provision contained in Commission Order No. 92-931:

The regulated utility should not disclose customer proprietary information to any of its affiliates without the consent of that customer. Procedures should be established by the Company to comply with this recommendation. Upon development of the procedures, SCE&G should file a copy of the procedures with the Commission for approval. Proprietary information in this instance is defined as any information that if released could cause the customer possible competitive injury.

- 1-31 Explain how partnering with HomeServe to sell or share customer information complies with the following provision contained in Dominion's proposed Code of Conduct filed with the Commission on July 1, 2019:

D. CUSTOMER INFORMATION

- 1. DESC shall not disclose Customer Information to any Affiliate without the written consent of that Customer. Procedures must be established by DESC to comply with this recommendation. Upon development of the procedures, DESC is required to file a copy of the procedures with the Commission for approval.
- 1-32 Identify and provide the following information for any and all sale or sharing of customer information between Dominion or any of its subsidiaries and/or affiliates and third parties in the period from January 1, 2013 through November 30, 2019:
 - (a) Name and business of the third party.
 - (b) Any contracts and/or service agreements with third parties that describe the type of customer information and usage being sold or shared.
 - (c) Any and all measures DESC has taken to protect its customers' information that was provided to any third party. Describe these measures by year.
 - (d) The amount of compensation paid to or received by DESC from any third party for the sale or sharing of customer information.
 - (e) An explanation of how any such compensation is recorded or otherwise accounted for by DESC.
 - (f) An example of the accounting entries of compensation paid to DESC by any third party for the sale or sharing of customer information.
- 1-33 Provide a sample of the customer information, in functional Excel form with all formulas intact, that was shared between Dominion and HomeServe. For this request:

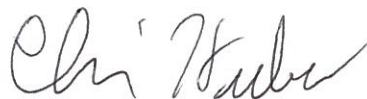
- (a) Include data sent from Dominion to HomeServe, as well as any data sent from HomeServe to Dominion.
 - (b) Describe the data sets and the purpose of the data in detail.
- 1-34 Describe how customer inquiries and/or complaints regarding the services provided by HomeServe are addressed by Dominion.
- (a) Provide the contact information, including telephone number, web site, email addresses, location including mailing addresses, etc. for the customer service center(s).
 - (b) Indicate if the customer service center(s) is/are operated by DESC, HomeServe, or some other provider.
- 1-35 Regarding the mailing from HomeServe to DESC gas customers in November 2019, provide the following information:
- (a) The amount(s) Dominion is being compensated by HomeServe. If available, please delineate this response by service provided: namely; customer list, letter head, envelopes, logo, etc.
 - (b) A copy of the initial communication where HomeServe first contacted Dominion to provide this service. Likewise, if Dominion contacted HomeServe first, provide a copy of that communication as well as the responsive correspondence.
 - (c) A copy of the mailer, envelope and return envelope.
 - (d) The target customer market for this mailer.
 - (e) The number of customers by customer type or other designation used to determine eligibility and target market(s).
 - (f) The number of customers by customer type that were sent the HomeServe mailer.
 - (g) The number of customers by customer type or other designation that purchased the HomeServe product.
 - (h) The number of customer complaints received by Dominion related to the HomeServe mailer. Include the communication method by which the complaint was received including, but not limited to, telephone, email, text, social media, etc.

Marketing

- 1-36 Provide a copy of any and all third-party materials sent to Dominion customers which utilized customer information provided by Dominion to the third-party under a sharing and/or sale agreement in each state jurisdiction in which Dominion operates. Include any and all materials sent via any and all communication methods including, but not limited to; U.S. Mail, social media, text, email and/or telephone. Include any printed materials including, but not limited to; the envelopes mailed to customers, bill inserts, or bill messages on billing statements.
- 1-37 Provide the name and location of the company that provided printing and mailing services to HomeServe for any mailers sent to DESC customers.

- 1-38 Explain how HomeServe is allowed to use the Dominion logo on the mailing envelope, letterhead of the marketing materials, and as the return address on the envelope. Provide any written requirements designating how a third-party is to display the logo.
- 1-39 Regarding the HomeServe marketing materials sent to DESC customers in the calendar year ending December 31, 2019:
- (a) Provide the name and department of all personnel at Dominion responsible for approving the marketing materials sent to DESC customers by HomeServe.
 - (b) Provide copies of any proofs Dominion received from HomeServe for any and all solicitation materials.
 - (c) Provide any corrections or recommendations from Dominion to HomeServe regarding the solicitation materials.
 - (d) Explain the prominent placement of the Dominion Energy, Inc. logo on the HomeServe solicitation materials.
 - (e) Explain the use of the corporate Dominion Energy, Inc. logo rather than a DESC logo.
 - (f) Identify any laws, regulations, rules, orders, regulatory processes for approval, or other legal requirements Dominion followed in its review and proofing of HomeServe marketing materials.
- 1-40 Provide copies of all company logos and registered trademarks of HomeServe. Provide links for any web site sponsored or developed by/for HomeServe. Provide a link to the DESC website where DESC identifies any and all products available to customers from HomeServe.
- 1-41 Explain if Dominion allows other home warranty companies operating in South Carolina to use the Dominion logo and letterhead on marketing materials and on their website.
- 1-42 Explain the regulatory proceedings and outcome in Utah related to Dominion's arrangement to sell or share customer data.
- (a) Provide a detailed description of the cause of the regulatory action and the outcome.
 - (b) Identify and explain how the outcome of the regulatory proceeding in Utah differs from Dominion's decision in South Carolina to sell or share customer information.
- 1-43 Explain why the HomeServe mailers in Utah were revised after a regulatory proceeding and why Dominion did not require HomeServe to use a similar mailer in South Carolina.
- 1-44 Provide the following information relating to Dominion's arrangement with HomeServe in its Utah jurisdiction:
- (a) What percentage of the Utah customers who received the first HomeServe mailings purchased the insurance offered by HomeServe?

- (b) Provide the number of customer complaints by Utah customers relating to the first HomeServe mailing.
- (c) What percentage of the customers who received the second and corrected HomeServe mailing purchased the insurance offered by HomeServe?
- (d) Provide the number of customer complaints by Utah customers relating to the second and corrected HomeServe mailing.



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December 6, 2019

ELECTRONICALLY FILED - 2019 December 6 3:10 PM - SCPSC - Docket# 2019-363-E - Page 11 of 11

CERTIFICATE OF SERVICE

December 6, 2019
Columbia, South Carolina